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Robert Sofia

PRACTICE MANAGEMENT>MARKETING

Q&A: Robert Sofia, CEO of Snappy Kraken

The marketing tech CEO has integrated acquisition Advisor Websites, resulting in layoffs, all while expanding a texting platform into the enterprise channel, planning the second Jolt! conference and rolling out the next iteration of his company's platform, Freedom360. It's been a busy time.

Rob Burgess | Mar 29, 2023

Advisor marketing firm Snappy Kraken on Tuesday announced the rollout of Freedom360, the latest iteration of its automated marketing platform. It comes on the heels of a busy time for founder Robert Sofia. He's spent the past year integrating the May 2022 acquisition of Advisor Websites, resulting in recent layoffs. His company, which now serves some 6,000 advisors, rolled out the Convos texting platform to the enterprise broker/dealer channel, and he's been planning the second Jolt! event, a conference dedicated to advisor marketing slated to be held next month in Las Vegas. Here he talks about the problems his company is trying to solve with the latest technology, decisions to downsize and how, despite early enthusiasm, building AI into an advisors' marketing machine can be like giving a chainsaw to a baby.

WealthManagement.com: Tell us more about Freedom360. What about it is exciting to you?

Robert Sofia: I've been marketing for 20 years and about 17 of it for advisors. The biggest challenge is I had a service business where I did everything for them. Which was great. But that's not super scalable. Or I gave them the tools. And then they had the problem because they had to find time to use the tools. Over time I realized that if you really want to help advisors you have to help with the heavy lifting, and in the past that didn't scale as well as it can with technology. I realized we have the opportunity to do amazing work for advisors at scale because we can automate so much of the work. So we said, "OK, we're going to add some new technology into our platform and a service component and then it's going to allow us to absolutely do everything for advisors." It's called Freedom360 because it's designed to take the lift of marketing off of them. At least the core aspects of it. We have this foundational element that is targeting the right people with the messaging on your website, and getting your SEO set up to attract the right audience. Then having compelling offers when they visit your website that immediately pulls them in. Get the lead captured. Then have automated nurturing that follows up on that by email and by social media and by text message. ... We work with (advisors) to record a video that's part of the nurturing sequence that we can send out to every prospect automatically. And then ultimately, they run their sales process and then afterward we have corresponding campaigns for ongoing follow-up. And if they don't convert right away, ongoing engagement campaigns that go out every single month to keep prospects warm. All of that is going to be done for the advisor. That's our way of solving this problem and saying, "Hey, look, you can come to Snappy Kraken. You can get the tools by themselves if you want to do it yourself or have somebody in your office do it or you can pay us a little extra and we'll do it all for you."

WM: How long has this been in the works?

RS: We started testing this with a small group six or seven months ago. You could say it's new in that respect, but you could also say it's also 10 years old. It's what we've been helping advisors do. It's just been a very small percentage of our customer base who would do 100% of the things we told them to do. You say "look here's what you've got to do: Optimize your site for SEO. Have a powerful converting offer on the homepage. Test those offers. Swap them out occasionally. Use these nurturing sequences to convert people. After they become a client, put them into this tunnel for new client onboarding. Integrate the text messaging application." But, you know, you tell them these things. You give them the tools. It doesn't mean

they'll do it. Now we're going to make sure that they do it right because we're going to help them execute.

WM: I'm interested in this "fresh marketing content" you mentioned. Is this something you write for advisors? Do they have some input?

RS: We build it for them. We have a writing team. Every single month they write topical emails based on what's happening in the markets and the economy. Two weeks back SVB collapsed, and our team was immediately preparing correspondence for advisors to send to their clients and prospects. So, we do all the content development for them just to make sure that it's done right. Now, we also have placeholders in that content for advisors to add personalization if they are willing. For example, let's say we had an eight-part nurturing sequence for new prospects that goes out every week for eight weeks. We write the eight emails, but we also say if you'd like to personalize this for your business, insert a video here that explains A, B and C. Some advisors will record the video and insert it. Some won't.

WM: I've been writing about AI recently. When I asked you recently about possibly incorporating something like ChatGPT in your offerings you told me you were taking a cautious approach. In the meantime, GPT-4 was released and new integrations at other companies have been announced. Have you had any change of heart since then about the technology?

RS: We continued to test options and we actually have just finished building a feature that we're really excited about. I don't want to spill the beans, but it is a very simple way for advisors to use AI to improve their landing pages and the open rate of their emails. That will be coming out in the next couple of months. So, we continued to innovate. I stand behind what I said, which is we're not always the first to market because we want to make sure we test these solutions out and prove their effectiveness.

I think if you look at AI right now, here's the reality of it: It's amazing. It's incredible. It's great for distilling information, but it has hallucinations. And they're common. And there's a reason why some of the bigger financial service companies that are incorporating this are limiting it to their own data sets. There are reasons why they have human fact-checkers. When I saw that companies in our space were jumping on the bandwagon to put this out really fast, knowing the testing that we've already done and knowing what the pitfalls are for advisors, and I know that they were going to have those issues. And we're just not a company that wants to leave advisors holding the bag on that kind of thing. So, for example, you have a social post or blog post composed by AI and there's misinformation it, that's a huge credibility wrecker. Our process is number one, research. Number

two, copywriting. Number three, fact checking. Number four, compliance. And number five, final review. If you can't do all of that effectively with AI, and I know you can't, then you need to be measured in how you help advisors with it.

I think of it like putting a chainsaw in the hands of a toddler. A chainsaw is great. But you better know how to use it. You better have the right safety equipment. You better have the right training. There's things that have to be done to make that technology effective.

WM: What are you excited about at this year's Jolt! conference? What can attendees expect?

RS: This is year two. I'm absolutely amped up about it. We're going to have a lot more attendees this year. Bigger stage, bigger audience. We did a better job this year I think with rounding out the speakers to make sure that we have a really diverse and inclusive group. We've got a theme that we've woven through the entire event. So, the idea is really have advisors leave inspired and motivated to be more effective in how they communicate and build relationships through marketing. People think of marketing like a technology, or buying leads or emailing lists, or a certain channel or social media or text messaging. But marketing is really relationship building at scale. And advisors need relationships. We want them to leave going, "Wow, I can use technology and content to build stronger relationships with people in my community who will ultimately become clients and with my clients and the whole of that is shaped around marketing like a human." Putting your heart and soul into your marketing. Marketing uniquely. Marketing to forge connections. Marketing to give, not just to take and a lot of things that will really transform how the industry thinks about marketing. A lot of conferences just have a big, big mind dump of information. You go and you listen to the speakers and maybe you take something away. Maybe you don't. We set up Jolt! so everybody's workbook has a page for every session. We've designed the workbook to distill the key points down from each session. And then the last two hours of the event all of our speakers and coaches and consultants will be doing spot coaching with the advisors and helping them leave with an action plan. People aren't just going to learn, they're going to leave with a plan of attack.

WM: You announced layoffs earlier this month. How did you come to that decision and how is the business?

RS: Layoffs are never easy because you're dealing with people's livelihoods. And that's the hard part. There are people that needed that income, needed those jobs. And that's the part that is hard. But the reality is the layoffs that we made were ultimately designed to improve the health of our business. So

you know we acquired Advisor Websites in early 2022. They had about as many employees as we had. So we went from 60 employees to 120 employees basically overnight and when you merge two companies together there's always going to be redundancies in roles and responsibilities. There's going to be a lot of competing priorities that have to be figured out. So we put everybody into the pile. We spent a year integrating the companies and the products. And then we realized that there were some reductions we could do and still drive the same performance for our clients. And when you're looking into business and saying OK, we could do 100 things and only 50 of them are really going to grow the business. And you decide to do those 50, you say OK we don't need all those people to do those 50. And that's what it really comes down to. So we had to make the tough decision to let some people go. It was difficult for the personal aspect but fine for the business. And that's the priority. We have to take care of our clients and structure the business to be healthy long-term. So that is what we did our best to do.